

VOIP and Access Charges

- AT&T requests that any service that uses either the Internet or IP Protocol be exempt from access charge
- Policy makers must not confuse “deregulation” with avoidance of paying for services that VoIP providers use
- AT&T claims that local business rates under the old “ESP Exemption” are sufficient compensation
 - This is not true in high-cost rural areas
 - Access charges and USF are an integral part of cost recovery
 - Comprehensive, policy-based actions, not piecemeal elimination of significant revenue sources based on narrow loopholes
- If granted, AT&T’s petition would have huge impact on both interstate and intrastate rates, and would be devastating to universal service in rural areas

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- **The Commission should deny the AT&T petition**

- VoIP and IP telephony depend on the ubiquitous telecommunications networks of other providers
- Protocol conversion (IP or otherwise) does not change the fact that the same information goes in and comes out of the communication
- Since the service uses the network of another carrier, there is a duty to compensate that carrier
- Access charges have decreased dramatically from 1984, and even 1996

- **Granting the AT&T petition would harm rural consumers**

- Significantly higher end-user rates would be counter to 254(b)(3)
- Rural consumers do not have the same choice of providers, and in many cases have only one provider
- Abrupt elimination of significant revenue flows could seriously affect provider viability

- **Other VoIP petitions should be merged into the comprehensive intercarrier compensation review process**

Routing of an AT&T VOIP Call

from Great Plains Communications Cody Exchange to a Non-Rural Customer

